Remarks at Council on Foreign Relations

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When I was first asked to speak to you tonight, I didn't anticipate that I'd be privileged to be introduced by Howard Baker, for whom I have the very highest esteem, and with whom I was privileged to work for many months before he left office. His guidance to me, both in the Oval Office and on the Hill, was of extraordinary value, and I deeply appreciate the common sense that he brought to the White House and to our country. I would also like to say that we have occasionally swung a tennis racket together. I would like to talk about how good we both are, but Sam Hayes* is in the audience and he knows better—so I won't.

When I spoke to the Council in New York last December, I discussed the role of intelligence in our society as I saw it—to provide timely and objective intelligence to policymakers, and to do so with fidelity to our Constitution and to our laws. A year later, I remain convinced that these two objectives are not mutually exclusive. We are collecting information in every corner of the globe, and we are providing finished intelligence to policymakers on hundreds of issues, ranging from arms control to the earthquake in Armenia. Yet just as important, we are observing the rules of oversight and accountability that build trust between those who have the intelligence responsibility and those who are the elected representatives of the American people. It is that trust that makes it possible for us to operate with the confidence, the aggressiveness, the perseverance, and the resourcefulness that we need to do our job. My good friend, General Vernon Walters, former Deputy Director of Central Intelligence and now our Ambassador to the United Nations, describes a view held by many in this country about intelligence. "Americans," he said, "have always had an ambivalent attitude toward intelligence. When they feel threatened, they want a lot of it, and when they don't, they tend to regard the whole thing as somewhat immoral."

With so much going on around the world that affects our national security, I think the American people want a lot of intelligence. And tonight I'd like to focus on three concerns that have and will continue to command the Intelligence Community's attention. These concerns are the changes under way in the Soviet Union, the proliferation of advanced weapons, and the narcotics problem. I could only pick a few issues but I think these are three that are certainly going to be with us in large scale. I'd also like to discuss the changes that have made it possible for us to take on those challenges with the confidence of the Congress and the American people.

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As you might expect, those of us in the intelligence business have been keeping a close watch on leadership changes and reform efforts in the Soviet Union. Some of us were in New York last week watching that 45-car caravan careen around the streets of Manhattan, drawing attention everywhere, making short stops and receiving occasional cheers. And then, of course, there was the sight of the President-elect and Gorbachev standing with the Statue of Liberty in the background. But there is a contrast to that that I think I should mention. A report from Moscow just came in and it says this: "The smug, self-righteousness once so characteristic of Soviets is far less evident today than a decade ago. They seem strangely deflated. Aside from those lively souls who pen letters to the editor, the truth seems to have made Soviet man more introspective than inspired. Thousands of Soviets gathered recently in Gorky Park to witness an emotional, well reasoned, and protracted debate between a self-styled 'moderate' who supported *perestroika* in measured terms and a 'radical' who, espousing accelerated change and 'pluralism,' was sharply critical of Gorbachev for dragging his feet. The debate itself was fascinating but more riveting still was the total absence of reaction from the passive, silent, uncommitted crowd. Gorbachev has clearly experienced the frustration of the debaters in Gorky Park." I found that contrast extraordinarily interesting.

Although the range of intelligence issues that we face today is broad, the Soviet Union is—and will continue to be—the primary focus of our intelligence collection and analysis. Its military capability, its efforts to increase global influence, and its aggressive intelligence activities are still serious threats to U.S. interests.

Gorbachev's efforts to reform his country have not fundamentally altered these truths. Arguably, they make the Soviet Union of even greater concern to U.S. intelligence.

Like many of you, I have been fascinated by what is occurring in the Soviet Union. Gorbachev has stirred up the stew—bringing new life and dynamism to Soviet politics and pushing a series of reforms that none of us could have foreseen five years ago.

The forces of democracy are making some political and economic inroads—especially in the Baltic republics. Although the USSR certainly is not headed toward democracy as we know it, today's Soviet leaders appear to understand that their system is faltering largely because it has not given the people enough breathing room—room to innovate, room to inquire, room to unlock creativity.

Change is occurring in the area of foreign policy as well. This Soviet leader has signaled by word and deed that he wants the USSR to be a more active and effective player on the world scene. He is more willing than past Soviet leaders to reevaluate the costs and benefits of Soviet foreign policies and make decisions on that basis. For example, the Soviets are leaving Afghanistan—although with some

difficulty and with a bittersweet taste in their mouths. And they are eliminating a whole class of nuclear weapons under the INF treaty—a process that includes unprecedented on-site inspections of Soviet military facilities.

Gorbachev's announcement of unilateral troop reductions at the U.N. last Wednesday illustrates his willingness to pursue radically different approaches even as it highlights the challenges that these new approaches represent for the Western alliance. The announced reductions, if fully implemented, will remove some—but not all—of the Warsaw Pact advantages over NATO. In particular they will substantially reduce the ability of Warsaw Pact forces to launch a surprise short-warning attack. At the same time, this step was clearly calculated to put pressure on Western governments for reciprocal steps and to undermine support in the alliance for modernizing defense programs.

This and other initiatives that may well follow will complicate the task of maintaining unity within the alliance as we approach the upcoming talks with the Warsaw Pact on conventional arms reductions.

The dramatic nature of these policy changes clearly has provoked controversy within the Soviet Union. A major power struggle continues between reformers, who believe radical changes are necessary to make the Communist system work, and conservatives, who fear such changes could destabilize the very system they are trying to save. The outcome of this struggle will affect how far and how fast reform progresses, the extent to which central authority is relaxed, the general welfare of the individual, and how competitive the Soviet system will be over the next few decades.

In late September, Gorbachev significantly strengthened his position in the Soviet leadership—undertaking the most sweeping overhaul of the top party leadership since Khrushchev ousted his chief opponents in 1957. The changes made should allow Gorbachev to push his policy agenda at home and abroad with renewed momentum.

While an important victory, this struggle to reform the Soviet system will go on for decades, requiring Gorbachev and his successors to overcome enormous political, economic, and cultural obstacles.

There are strong reasons to question whether a system designed to centralize authority, maximize government control over its people, and concentrate resources on building up the nation's military strength can become more decentralized and democratic in its decisionmaking and more solicitous of its people. Nationalist unrest is currently testing the Soviet system's ability to make reforms work. Communal unrest in Armenia and Azerbaijan have forced Moscow to put the region in a virtual state of martial law on a semipermanent basis. The tragic earthquake that struck Armenia last week will temporarily divert attention

from the nationalist struggles in the Caucasus. But the underlying problems will remain—the nationalist issues are not yet resolved. Just last month, the Communist leadership of Estonia declared the republic "sovereign," an unthinkable development even a year ago. While rejecting this declaration, Gorbachev has signaled a willingness to compromise. It is by no means certain—and many doubt it—that minority aspirations for independence can be squared with Moscow's need for control.

But if the last three years have taught us anything at all, it is that Gorbachev is a highly skilled politician, and we cannot rule out the possibility that he can, ultimately, pull off a "revolution from above" that actually increases authority below.

The Soviet reform effort presents the U.S. Intelligence Community with some formidable challenges. We must pay closer attention than ever to the political struggles and issues being raised as Gorbachev challenges the established interests of individuals and institutions within his country.

We must also help the policymaker sort out how reform will affect Soviet military and economic capabilities and—even more difficult—how it may change Moscow's foreign policy.

We must manage the information explosion that *glasnost* has produced which, though welcome, challenges us to sort out what is important and what is not, what is real versus what Moscow wants us to hear.

We must provide intelligence and analysis for U.S.-Soviet arms control talks. As these negotiations progress, the Intelligence Community will be increasingly asked to assess Soviet motivations and monitor Soviet compliance with the provisions of agreements. And the amount of support required is tremendous. The INF treaty has required the United States to monitor about 120 facilities declared by the Soviets. Monitoring the START treaty, if we get one, could involve as many as 2,500 weapon locations spread throughout the Soviet Union.

Yet whatever arms control agreements the U.S. makes with the Soviets, our relationship is likely to remain essentially adversarial. Policymakers will depend on the Intelligence Community to make quick and accurate assessments—and even to anticipate Gorbachev's sometimes unorthodox and unexpected initiatives, examples of which we saw in the United Nations last week.

But the Soviet Union is certainly not our only focus.

Another major concern is the proliferation of advanced weapons, particularly ballistic missiles. By the year 2000, at least 15 developing countries will either have produced or be able to build their own ballistic missiles. Although these missiles may be somewhat crude and inaccurate, many of them will have

capabilities well beyond battlefield range. And the high speed of ballistic missiles enables an attacker to strike with little warning and makes it difficult for the defender to destroy incoming missiles.

Ballistic missiles also convey important new political and military status to those who acquire them. Many of the countries where these missiles are being developed are in the Middle East—an area where we have important security interests, and where regional tensions are highest.

All of the Third World missile development programs rely on foreign technology to some degree. But much of this critical technology is already diffused throughout the world, is available for other purposes, or can easily be diverted. There is also extensive sharing of technology among Third World missile countries, and they are increasingly pooling their resources and technical know-how.

Another disturbing development we have seen is the outright transfer of complete missile systems from one country to another. This could become a way for developing countries to leapfrog ahead of the competition, although most countries will still seek to develop missile capabilities that they alone control. We can also look for Third World countries themselves to become major exporters of missiles and missile technology.

As threatening as the increase in ballistic missiles and the transfer of entire missile systems may be, we must also be alert to attempts by developing nations to arm ballistic missiles with chemical warheads. A major question we are now addressing is what lessons Iran and Iraq—and the rest of the world—have learned from a war that involved the first sustained use of chemical weapons since World War I.

After the First World War, the use of chemical weapons was outlawed by signers of the 1925 Geneva Protocol. During World War II—even during the most desperate battles—both sides refrained from using chemical weapons—weapons that Winston Churchill referred to as "that hellish poison."

The Iran-Iraq war ended that restraint and set a dangerous precedent for future wars. The Intelligence Community has considerable evidence that Iraq used chemical weapons against Iran and also against Iraqi Kurds. Iran, too, employed chemical weapons against Iraqi troops.

Chemical weapons are thought to offer a cheap and readily obtainable means of redressing the military balance against more powerful foes. Some see them as the poor man's answer to nuclear weapons, and as many as 20 countries may be developing chemical weapons. Our President, our Vice President, and our

Secretary of State have all spoken out strongly about this problem, and I must say that many of our friends in the Middle East see it not as a problem but more as a practical opportunity. And therein lies a major diplomatic problem for us.

It also appears that the moral barrier to biological warfare has been breached. At least 10 countries are working to produce biological weapons. And this presents us with another intelligence challenge.

Along with assessing capabilities to develop and produce ballistic missiles and chemical and biological weapons, we must make judgments about what could prompt foreign countries to use them. This is one of our most important tasks, and we will continue to provide U.S. policymakers with as much accurate and timely information on this issue as we are able to produce.

The third matter of great concern to the Intelligence Community that I want to discuss tonight is the narcotics problem. You heard a lot about it in the Presidential campaign. And it is a real problem.

You are all aware of the alarming extent of narcotics abuse in our own country. Almost 40 percent of organized-crime activity in our country is related to drugs, generating an income estimated to be as high as $110 billion.

On the international scene, we have documented ever-increasing rates of drug production and trafficking. Narcotics activity has been accompanied by an alarming increase in violence and intimidation—especially in Latin America. Drug traffickers in Colombia routinely use violence. Judges and other government officials, businessmen and journalists in that country have been the targets of bribery, intimidation, and assassination. I suppose this was symbolized especially in the destruction of the Supreme Court building by drug dealers or terrorists employed for that purpose who literally assaulted the Supreme Court building with artillery.

The Intelligence Community collects and analyzes information on every step in the operation of narcotics production, processing, distribution, and the laundering of profits. Our efforts are designed both to meet immediate needs for intelligence and to help fashion longer-term drug control strategies. And this is not without its problems, because our interest in gathering intelligence and protecting sources and methods is often inconsistent with the law enforcement community's desire to use that evidence and then being required by the courts to furnish the source of the information in criminal discovery.

We provide intelligence to the FBI, the Drug Enforcement Administration, the Customs Service, and the Coast Guard to assist them in their drug interdiction and enforcement efforts. We also assist foreign governments in their counternarcotics programs. Several Latin American countries are undertaking a major

cooperative effort to destroy drug processing laboratories, airstrips, and chemical holding areas. We are also supporting an interdiction operation at the southwest border that involves federal, state, and local authorities in both countries.

Our intelligence can help foreign countries measure the extent of their own drug problem. Using some of our intelligence analysis, U.S. diplomats were able to show one foreign government the extent of environmental damage done by the slash-and-burn agriculture of its narcotics growers. The government intensified its eradication efforts and made a major dent in drug production. But the narcotics industry is resilient. In this case, narcotics production came down, but the country has increasingly become a regional transit point for narcotics.

Intelligence is also used to help implement anti-drug laws. The Anti-Drug Abuse Act of 1986 and the bill recently passed by Congress call for the United States to withhold some foreign assistance from nations that are not working to counter drug activity within their borders. To support such legislation, we monitor the activities of the drug traffickers and analyze how well other countries' counternarcotics measures are working.

But policymakers recognize that intelligence, important as it is, does not provide a solution to the narcotics problem. Intelligence can illuminate an issue—track, clarify, and predict an outcome. But the only real solution—in this country and worldwide—is a reduced demand for narcotics, coupled with a real reduction in supply. My own sense is that this is going to be a major problem for us at home. Present machinery, including the recently enacted law, will require much fleshing out by Executive order if we are really, this time, to mount effective campaigns against drug problems.

It is encouraging that international cooperation in fighting the drug problem has increased considerably. In 1987, 23 nations joined the U.S. in eradicating drug crops—in 1981, there were only two.

Supporting our national fight against drugs will continue to be a major priority of the Intelligence Community.

I've talked thus far about three of the major concerns that will continue to be at the top of the Intelligence Community's agenda—Soviet affairs, weapons proliferation, and narcotics. Now I'd like to talk a bit about the changes that have occurred over the last 19 months—changes that have strengthened the Central Intelligence Agency and have helped to build a higher level of confidence in us and in our work.

You may recall that at this time two years ago, the CIA was at the center of a storm that threatened to destroy confidence in our role in American life and to

shatter the trust that is so indispensable to our mission. Throughout 1987, we were subjected to the most searching inquiry into our part in the Iran-Contra affair.

At the end of last year, I sent a note to all CIA employees that said: "If ever a time in the 40 years of the Central Intelligence Agency required the talent and energy of those who serve, this has been that time." And a year later, I can report that our people have responded, and we have together taken the Agency through one of the most challenging eras in our history.

We have, I believe, restored public confidence in the CIA and greatly improved our relations with Congress. And we have done this by establishing clear guidelines—guidelines that are workable and well understood and have been scrupulously followed.

We have established policies to ensure that our intelligence assessments remain objective and that analysts are protected against the pressures of political influence. As Director of Central Intelligence, this insistence on objectivity may be the most significant contribution that I could make in galvanizing a cohesive Intelligence Community without compromising the integrity of the individual analysts and program managers. And I am proud to say that in the time I have been at CIA I haven't heard anyone accuse us of "cooking the books."

I'm also proud of what we have done to strengthen the review of covert activities. These activities are the focus of the greatest congressional and public attention, but I think it is worth pointing out that only about three percent of the Intelligence Community's resources are spent on covert action. Under the guidelines I have established, the Agency's senior managers must review all proposed covert action findings and related documents that are to be forwarded to the National Security Council. They must apply tests designed to ensure that each program can be done, is consistent with our declared foreign policy, and if exposed would make sense to the American people. And as I have consistently stated in all my public statements, we must have this capability. It is a vital extension of our national foreign policy and we need to protect its availability. We do this through the professional measures I've just mentioned.

Because I know of the need to be absolutely candid with Congress, and the responsibility that intelligence professionals have to protect sources and methods, I have established guidelines governing our dealings with Congress. And I have made it clear that in dealing with Congress there is no excuse for deception. There have been some questions that Agency officials who brief on the Hill—and we've briefed a thousand times this year—have had to refer back to me. They've been authorized to demur rather than skirt issues that they were not authorized to discuss, and we have worked out arrangements with the Congress. Sometimes the questions have come all the way up to me, and sometimes I've lost the issue.

But we have not left Congress feeling that in some way anyone in the CIA has been disingenuous with them. As a result, our relationship with Congress has improved, and I believe it will continue to improve without "giving away the store."

There is another point I want to make about our work, and it is that the intelligence we provide to policymakers on the Soviet Union, weapons proliferation, narcotics and many other issues is not easy to come by. In fact, it sometimes comes at great cost to the men and women of American intelligence. And I think of that every time I walk through the main foyer of our Headquarters building, where stars have been carved for those who have given their lives in the line of duty. And I am reminded that it is the creativity, the determination, the brilliance, and the courage of our people that spells the difference between success and failure.

A German poet was once asked how the medieval Germans ever built their lofty cathedrals. He replied, "Men in those days had more than just an opinion, they felt a commitment."

I think our people show a similar commitment, and I hope that we continue to attract those best suited to carry out our mission. We are looking for people who are risk takers, but not risk seekers. People who are dedicated and responsive to our law. People to whom fame and fortune are not a necessary part of their lives, but who can find in our important work an avenue to pursue their highest aspirations for a safer and a better world.

With such people we can continue to provide the intelligence that policymakers need, observing the rules of oversight and accountability that both the Congress and the members of the Intelligence Community have a right to expect. This is what you would want of us, what all American people would want of us, and we are doing our very best to supply it.